

quent, the rate war, is nothing more or less than cannibalism, and is a commercial crime. We confiscate the property of those whom we are charged, by all that is fair, to protect and maintain, our local agents. The taxpayer is a ward in Chancery, and we are answerable to the highest court for an accounting for the moneys collected for the fire tax. We have no right to relieve the owners of certain classes of risks or residents of a given territory, of their reasonable share of this tax, and thus increase the burdens of less favoured property owners. That a too high rate will produce this illegitimate condition, I would point to three instances: I know of one company that collected \$345,000 in premiums in the city of New York in the year 1897, with a loss ratio of 20 per cent. A disastrous rate war ensued the next year."

Mr. Dean proposes that the rates be made by the most intelligent schedules obtainable, those now in vogue, if they are considered the best. He suggests the printing of the tariff, each class of risks numbered, the class number being placed in the left-hand column, with the cost rate in the right-hand column, having two other blank columns alongside. The cost rates to be based on \$1,000 risk instead of \$100, because in percentage calculations by moving the decimal one point to the right greater accuracy can be assured. That is a general proposition in regard to percentages, the use of \$100 as the basis being in many cases too restricted to work out accurate results. Mr. Dean then considers that:

"Each company should then have a ledger account with each class, including the amount at risk and losses. When a given class is found producing less than its equitable proportion of income a percentage advance can be made in the rate, and in case too much is produced reductions can be made in like manner. It would be unnecessary for the classification intended only for rating purposes to go into the minute details that most companies now require for their own information. With the fact before us that 60 per cent. of the premium income is derived from the preferred and mercantile classes it will be seen that the task is by no means beyond possibility. In fact, it is a comparatively simple proposition."

The lack of elasticity in insurance rates he considers a reproach and injury to the business, as it differs from other enterprises in not adopting its terms to the changing conditions of risks. It is not considered that any difficulty would be found in getting combined experiences of companies, if some simplified method of classification for rating purposes were devised and operated, nor would any argument be required to advance or reduce rates upon a class. Mr. Hubble's letter to the Western Underwriters, which appears in extenso in "The Chronicle of New York," winds up as follows:—

"Non-tariff association companies would soon learn it was useless to cut these rates, because it would only be a matter of a few days before the rates upon the profitable classes were reduced to the proper point, and they could not carry the unprofitable classes at less than the associated companies. The plan is so practical and clear that we should at once give it a thorough trial. It requires but a moment's reflection to condemn our present inflexible rating

system. Under it, any tariff, no matter how wisely constructed or justly applied, becomes obsolete in three or four years, owing to the changed conditions. The next step is to construct another schedule, usually requiring a year and a half at the least, to compile, test, apply and promulgate, and at an expenditure, in central western territory, of not far from a quarter of a million dollars, when we must know that if the schedule meets existing conditions it will be useless within three years, because entirely different circumstances must govern the business. The needs of the hour are, the elimination of the preferred classes, the adoption of a flexible rating system, that we reduce rates upon the classes that are paying too much, and above all things, that we relegate the doctrine of competitive rates and declaring rates off to the past. Equity, expediency, nay, necessity, demand that these steps be speedily taken. Then, and not until then, will we deserve and obtain the confidence of our policyholders and agents, and justice at the hands of the legislator."

MORE AMERICAN UTTERANCES ON RECIPROCITY.

Canada just now is in a similar position to a young lady of beauty and fortune, coveted by a lover for the latter attraction exclusively, who is so conscious that he is only bent on securing her money, that he talks to his friends freely about the fortune he covets without saying one word to the lady herself. We have already given the expressions of the late and present President of the United States, showing that this represents their attitude. Senator Burrows, of Michigan, is affirmed to voice the feeling of the Republican party in the States when he says: "The only reciprocity that would find favour in Congress would be the opening of our markets on favourable terms for what we do not ourselves produce in return for free, foreign markets." This recalls Canning's couplet:

"In matters of trade, the fault of the Dutch,

Is giving too little and asking too much!"

There is no trace of reciprocity in any utterance so far published as the policy of any party, or any organization, or paper in the United States. It is the toss-up game of "Heads, I win—tails, you lose." The American idea of reciprocity is, to have the door wide open for entering foreign markets, in order to pass in American goods free of duty, and to keep the American door tightly closed against all foreign goods, except the very few they need that are not produced in the United States. Our neighbours may make up their minds that no such "jug-handled" arrangement will even be considered by the people of Canada. To propose it is a slight on our intelligence. The present need of Canada is more effective protection against the aggressive tactics of American exporters. They have the advantage of a tariff that imposes duties precisely one half the amount of the duties to which Canadian exporters are subject when entering the United States. The American manufacturers have made the most strenuous efforts to neutralize the concession granted to British exporters by the Canadian tariff and have had considerable success in thwarting